



COUNTY OF WELLINGTON

COMMITTEE REPORT

To: Chair and Members of the Solid Waste Services Committee
From: Ken DeHart, County Treasurer
Date: Tuesday, November 9, 2021
Subject: **Preliminary 2022-2031 Ten-Year Plan: Solid Waste Services**

Background:

This forecast provides a high-level view of major budget issues and planned capital investments and serves as a guide for departments in preparing their detailed current year operating and capital budgets. The preliminary corporate ten-year plan will be considered by the Administration, Finance and Human Resources Committee on November 16, 2021 and the forecast will be updated at the time the budget is approved early in the New Year.

Major Operating Budget Impacts

Staff are in the process of compiling the detailed 2022 operating budgets for each department. Major items to be reflected in the 2022 Solid Waste Services Operating Budget include the following:

- Resource Productivity and Recovery Authority (RPRA) grant revenue for the blue box programme is expected to increase by \$200,000 in 2022 based on changes to the funding formula. The funding amount for 2022 has not yet been received from the RPRA. Staff have used an average of the 2020 and 2021 funding information with adjustments as a conservative approach to the forecasted revenue. This amount will be updated when correspondence from RPRA is received.
- Tipping fees have been adjusted down by \$194,000 based on experience to date in 2021. Bag sales have decreased in 2021 as a result of curbside collection usage trends when compared to the previous year, and this budget line has been adjusted down \$100,000 accordingly.
- Sales revenue has been increased by \$175,000 to reflect a strong surge in plastics prices to date in 2021 and expectations on their value in 2022.
- The HHW Technician position has been adjusted from part-time to full-time hours in order to address additional needs of this position outside the operational hours of the Mobile HHW Depot.
- Leaf and Yard Waste processing costs in 2021 have been less than anticipated. The budget has been reduced by \$66,000 to better reflect costs experienced with a full year of the service.
- Monitoring costs at the Riverstown Landfill site have been increased by \$50,000 as this relates to the need for leachate monitoring in Phase II of the site.
- User pay bag costs have been increased by \$35,000 in 2022 as well as 2023 in order to address the significant increase in plastic prices to date in 2021.
- Staff are currently anticipating maintaining the additional cleaning that has been in place since the beginning of the pandemic. Funding from reserves for COVID related to cleaning enhancements at the transfer stations has been removed from the budget in 2022, which will result in an impact to the operating budget.

Capital Budget Forecast

In accordance with the Budget Management Policy, the list of capital works includes those initiatives that have a long-term benefit to the corporation and whose capital cost is at least \$25,000. Capital budgets are presented as inflated by 3.5% per year, which represents the five-year average of the non-residential construction price index. Highlights of the Solid Waste Services capital forecast are as follows:

- A total of \$11.2 million in expenditures are projected over the ten-year period.
- Equipment replacements total \$4.8 million and are fully funded by the SWS Equipment Reserve.
- The pick-up truck replacements are budgeted to accommodate electric vehicle purchases and reflects preliminary Corporate Climate Change budget initiatives. The actual purchase will be dependent on the availability of this technology and charging infrastructure at the time of acquisition.
- Site improvements for roads (2023 & 2028) and buildings (2030) address lifecycle replacements and rehabilitations.
- Facility upgrades at Elora and Rothsay are included in 2022 and 2023 and provides similar infrastructure, working conditions and patron experience to the other four County waste facilities. The scope of the work includes new scale houses, scales and asphalt paving. Elora will also include a new retaining wall to replace the existing deteriorating wall and to expand the drop off area to allow for enhanced user experience and diversion opportunities. Both projects are funded through a mix of development charges and reserves.

Riverstown landfill is the County's one remaining active landfill site with expected capacity beyond 2053. Staff are planning for future development of this site throughout the ten-year forecast and have included projects totaling \$3.7 million. Projects for Phase II of the site include:

- Riverstown Phase II Cell Development continues throughout this forecast, and consists of two separate projects to coincide with the nature of the works completed. Pre-excavation work totals \$748,000. Cell Development works total \$2.3 million and will re-commence in 2025. Funding is provided through the Solid Waste Services Capital reserve.
- Riverstown North Pond Development scheduled in 2024 at \$590,000 funded from the Solid Waste Services Capital reserve. The project involves the construction of a required storm water retention pond to the north of the Phase II filling area.

The detailed 2022 operating budget and revised ten-year plan will be presented to the Committee in January. Attached to the report is the current proposed ten-year operating budget and ten-year capital budget for Solid Waste Services.

Recommendation:

That the preliminary 2022-2031 Solid Waste Services capital budget forecast and major operating budget impacts as set out in this report be endorsed and forwarded to the Administration, Finance and Human Resources Committee for inclusion in the County of Wellington's Preliminary Ten-Year Plan.

Respectfully submitted,



Ken DeHart, CPA, CGA
County Treasurer